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Poland

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Poland leads EU in processed strawberries

Report Categories:

Strawberries

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Report Highlights:

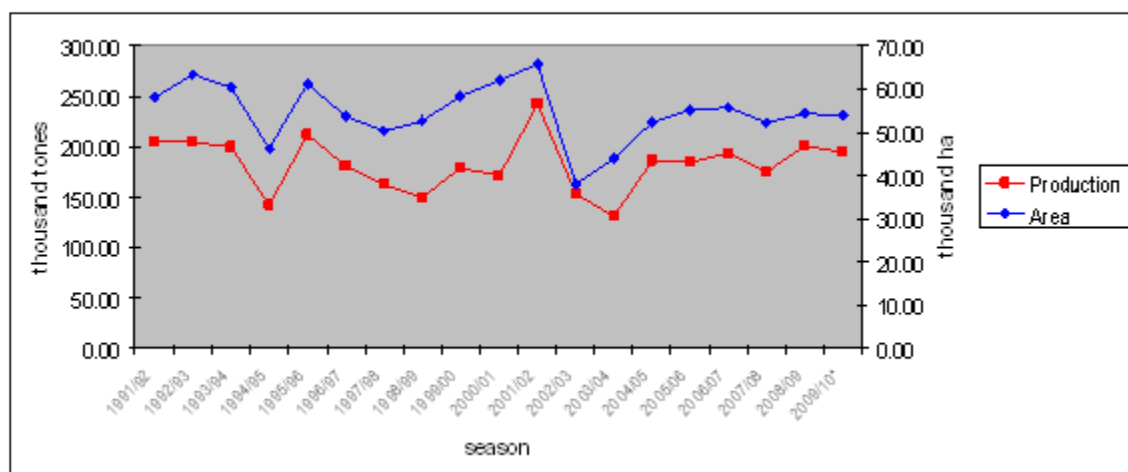
Strawberry production in 2009 dropped by 3% in comparison to 2008 and is estimated at 195,000 tons. With 108,000 tons of frozen strawberries, Poland is still the leading EU producer of processed strawberries. Poland also produces and exports strawberry juice to the United States. Poland's strawberry industry is fragmented but still competitive. Some changes are coming. Forming producers' groups would greatly help the Polish strawberry sector, as well as continued research on new strawberry varieties and a push to switch to more fresh market strawberries. Strawberry production, like all EU farming is intensely subsidized with growers getting 400 or 560 Euro per hectare just to grow the crop. On November 28, 2009, a Polish strawberry variety called "Kaszubska" has been registered by the European Commission as a protected geographical indication. Pictures of this GI and other varieties of strawberries planted in Poland are attached to this report.

General Information:

Fresh or processed?

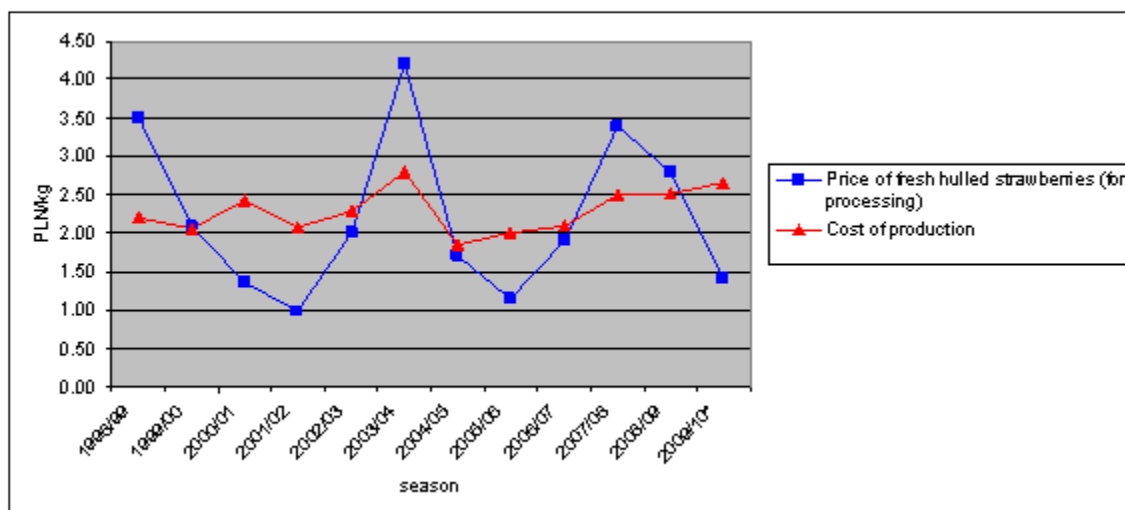
Most strawberry production in the EU-27 is used for the fresh market, it is almost always more profitable than the processed market. Poland is the only Member State that continues to be a major supplier of processed strawberries. Strawberry production has a long history in Poland where it was traditionally grown as part of a crop rotation with grains, rapeseed, and vegetables. The crop was more profitable especially on the light sandy soils which are abundant in Poland. The area devoted to strawberry production in Poland has fluctuated over the last 20 years. The most dramatic drop was in 2002/03 when planted area fell from 65,800 to 38,000 hectares. That was a result of continuing low prices of strawberries in comparison to production costs. A similar situation was in 2004/05 and 2005/06 when farmers began to plow up their plantations after facing low prices for strawberries. As a result in 2007/08 production fell to 174,600 tons (planted area: 52,300 ha). In 2008/09 planted area increased up to 54,200 ha and stayed stable in 2009/10. In comparison to 2008/09, production in 2009/10 decreased slightly to 195,000 tons. The quality of strawberries this season is lower because many plantations were attacked by grey mold due to wet weather. Fruit prices dropped this season by 50 percent. That was a result of unusually high prices the previous season when frozen strawberries' export price was 1456 EUR/ton (Eurostat). Fruit processors were not able to export all frozen fruits from 2008/09 harvest. In the 2009/10 season export prices of frozen strawberries were estimated at 850 EUR/ton (National Statistic Office: GUS; Institute of Agricultural and Food Economics IERiGZ). The situation on the strawberry market should stabilize next season; planted area and production may decrease slightly, prices should be more stable.

Chart 1: Planted area and production of strawberries in Poland



Source: data provided by National Statistic Office (GUS) and Institute of Agricultural and Food Economics (IERiGZ)

Chart 2: Costs of production and prices of strawberries for processing in Poland



Source: data provided by National Statistic Office (GUS) and Institute of Agricultural and Food Economics (IERiGZ)

Planted area of strawberries in Poland is divided between the processed and fresh market. Currently strawberries for processing usually come from 70% of harvested acreage and 30% of the area is used for the fresh market. Depending on the harvest situation, sometimes the split can be 80:20. The sector is characterized by fragmented production. In 2002 there were 196,100 commercial strawberry farmers (37,960 ha), among which 99,600 (50.8%) planted strawberries on plantations of less than .1 ha. Currently there are around 80,000 producers – still a lot – who grow on average plantation of .3 ha. There was a time when plantations were bigger but that was helped by cheap seasonal workers from Ukraine. The sector faces uneven post-harvest and marketing practices, a small number of producers' groups (there are more groups of fresh strawberry producers than processed even though there are fewer farmers in the fresh business), low use of contracts for farm production. High sensitivity to the unpredictable weather also means year to year fluctuations in yields, quality and prices. The strawberry harvest in Poland is extremely short in duration, lasting only about three to four weeks in June and July.

As mentioned Poland is the only Member State where the majority of strawberry production is intended for processing. It does not mean that Poland has no potential to become a major fresh strawberry producer. The problem lies in building better production organization and increasing investments. To produce fresh fruit on large scale farmers have to plant appropriate varieties and meet strict quality and packing requirements. That means they have to sort and pack on the field, refrigerate and export fruit quickly. Fresh strawberry producers who have taken the risk and increased the acreage and managed to produce high quality fruit had no problems with selling their product with a high profit on the EU market. Strawberry producers understand better now the need to change the direction towards fresh fruit production, however it requires investment and many of them cannot afford it now.

Strawberry varieties in Poland

Poland has been a leader in the processed strawberry industry due to established business relationships with food processors, historical low labor costs, extensive domestic frozen fruit and vegetable industry, and almost exclusive production of the strawberry variety Senga Sengana.

Senga Sengana, although not suited for the fresh market, is the most preferred variety in the EU for strawberry processing, especially for jams and juices (thanks to its flavor and strong red color). It is harvested from 60% of the total planted area of strawberries in Poland. Among varieties for fresh consumption the most popular is Dukat (10% of area).

The processing industry has started to diversify its supply of strawberry varieties in order to provide the full range of products currently on the market. However in Poland Senga Sengana has no real competition from other varieties such as Dukat, Honeyoe, Elsanta, Kent, Polka, or Onebor (Marmolada). These varieties can be used for both the fresh market and the processing industry, but are cultivated at much lower levels.

November 28, 2009, one of the Polish varieties of strawberry called “Kaszubska” has been registered as a protected geographical indication (Commission Regulation (EC) No 1155/2009 of 27 November 2009). Outstanding quality and reputation of Kashubian strawberry is due to the climate conditions that favor crops in the area. The flesh of the fruit has intense red color. Fruits are firm, juicy and very sweet.

Also in December 2009, European Commission registered Polish variety of sour cherry called “Wiśnia nadwiślanka” (Vistula cherry) as a protected geographical indicator. This variety is good for both processing industry and fresh consumption because of its unique taste. It has an intense color from dark red to maroon, the diameter of the fruit ranges from 12 to 20 mm and weight from 1.6 to 3.3 g. Cherries for fresh consumption must be harvested manually.

PSD tables

Country:	Poland				
Commodity:	Strawberries, Fresh				
	2006/07	2007/08	2008/09	2009/10*	UOM
Calendar Year Begin	New 07/2006	New 07/2007	New 07/2008	New 07/2009	(MONTH/YEAR)
Area Planted	55,600	52,300	54,200	54,000	(HA)
Area Harvested	40,000	38,000	39,000	39,000	(HA)
Production	193,700	174,600	200,700	195,000	MT
Intra EU27 Imports	2,685	3,360	3,245	2,500	MT
Extra EU27 imports	540	1,145	1,020	500	MT
Total imports	3,225	4,505	4,265	3,000	MT
TOTAL SUPPLY	196,925	179,105	204,965	198,000	MT
Fresh domestic consumption	33,715	67,545	50,990	62,500	MT
Intra EU27 exports	21,150	11,380	9,155	9,500	MT
Extra EU27 exports	1,860	980	5,320	6,000	MT
Total exports	23,010	12,360	14,475	15,500	MT
For processing	140,200	99,200	139,500	120,000	MT
TOTAL DISTRIBUTION	196,925	179,105	204,965	198,000	MT
Balance	-	-	-	-	MT

Country:	Poland				
Commodity:	Strawberries, Frozen				
	2006/07	2007/08	2008/09	2009/10*	UOM
Calendar Year Begin	New 01/2006	New 01/2007	New 01/2008	New 01/2009	(MONTH/YEAR)
Production	130,000	88,500	129,000	108,000	MT
Beginning stocks	8,000	6,000	8,000	33,555	
Intra EU27 Imports	3,030	6,810	3,590	2,500	MT

Extra EU27 imports	1,030	2,630	1,965	700	MT
Total imports	4,060	9,440	5,555	3,200	MT
TOTAL SUPPLY	142,060	103,940	142,555	144,755	MT
Domestic consumption	6,605	7,490	10,000	13,000	MT
Intra EU27 exports	114,255	77,790	88,000	100,000	MT
Extra EU27 exports	15,200	10,660	11,000	15,000	MT
Total exports	129,455	88,450	99,000	115,000	MT
Ending stocks	6,000	8,000	33,555	16,755	MT
TOTAL DISTRIBUTION	142,060	103,940	142,555	144,755	MT
Balance	-	-	-	-	

* forecast

Trade

Poland is the major supplier of processed strawberries in the EU. In 2008/09 Poland exported 88,000 tonnes of frozen strawberries to other Member States, mainly to Germany and Netherlands. Outside EU major suppliers are China (56,300 tonnes) and Morocco (50,124 tonnes). Out of the EU-27 members Poland is also a major exporter of processed strawberries outside the EU, mainly to Russia (around 5,200 tonnes) and Norway (around 3,000 tonnes). Poland imports a small amount of processed strawberries mainly from Netherlands and China.

Polish fresh strawberries are exported on a very small scale. In 2008/09 Poland exported nearly 14,500 tonnes. Major EU buyers are Germany, Belgium, Netherlands and Lithuania. In 2008/09 Poland also exported fresh strawberries to Russia. Poland imports fresh strawberries mainly from Spain and Turkey.

In 2009/10 import of fresh strawberries is forecasted to decrease; export and consumption are forecasted to increase. That may be a result of decreased processing demand (high stocks) and increasing production of fresh consumption varieties. Import of frozen strawberries in 2009/10 is expected to decrease due to high stocks of the national production. Export is expected to increase due to high production, high stocks and low price.

Policy

Starting on January 1, 2008 a new common market organization (CMO) for fruit and vegetables along with a new set of planting rules went into effect in the EU. The purpose of the reformed CMO was to improve the competitiveness and market orientation of the fruit and vegetable sector, reduce income fluctuations resulting from crises, promote consumption, and enhance environmental safeguards. The main points of the new CMO were to encourage growers to join producer groups which help growers mitigate crises, integrate the fruit and vegetable sector into the Single Payment Scheme, require a minimum level of environmental funding, increase EU funding for the promotion of organic production and abolish export subsidies for fruits and vegetables. As a result of the reformed CMO, the EC, starting in 2008, lowered the minimum farm acreage for berry producers to receive support from .3 ha to .1 ha. For Polish strawberry farmers, who generally have farms that are quite small, the change allowed the inclusion of about 60,000 more Polish berry farms. Payments are provided only to producers working under contracts with the processing industry. Although these payments are small, the Commission hopes that funds will likely lead to on-farm investment and some modernization.

Payment to strawberry and raspberry production is EUR 400/ha (EUR 230/ha comes from EU budget and EUR 170/ha can be co-financed from national budget). In 2008 31,961 producers (both strawberry and raspberry harvesting totally 31,010 ha) received 41,982,000 PLN (US dollar 17,424,701*). Average payment per hectare in 2008 was 1,354 PLN (US dollar

562). Although in 2009 payments were 25% higher (due to the exchange rate between PLN and EUR) they did not compensate losses in farmers' net income, neither improved the profitability of strawberry production. However in a difficult financial situation any additional income can be significant.

* National Bank of Poland: yearly average rate in 2008 was 1 USD= 2.4092 PLN